

MINUTES
Council on Postsecondary Education
February 1, 2008

The Council on Postsecondary Education met Friday, February 1, 2008, at 10 a.m. (ET) at the Council offices in Frankfort, Kentucky. Chair Turner presided.

NEW MEMBERS

Mr. Turner welcomed two new Council members.

Donna Moore of Lexington worked for many years at Kentucky Educational Television and was deputy executive director for programming and production when she retired in November 2004. She is a member of the Midway College board of trustees. She holds an associate degree from Midway College and a bachelor of arts in business education from the University of Kentucky. Ms. Moore was appointed to the Council December 28, 2007, to replace Suvas G. Desai and will serve until December 31, 2013.

Lisa F. Osborne is an attorney in Carrollton. She holds a bachelor of science in secondary education from Cumberland College, a master of science in library science from the University of Kentucky, and a juris doctorate from the University of Louisville. She is a member of the Kentucky Bar Association and has been a teacher and an insurance agent. Ms. Osborne was appointed December 10, 2007, to fill the term left vacant by Bryan Blavatt. She will serve on the Council until December 31, 2012.

Mr. Turner also recognized Walter Baker, who was recently reappointed to the Council. Mr. Baker is a Glasgow attorney and is a former state senator, representative, and Kentucky Supreme Court justice. He is a retired lieutenant colonel in the Kentucky Air National Guard, with active duty experience during the Pueblo Activation in 1968-69. The U.S. Department of Defense has honored him with its Outstanding Public Service Award, and he is the recipient of the 2003 Vic Hellard Jr. Award for Public Service. He holds bachelor's and law degrees from Harvard University and an honorary Doctor of Human Letters degree from Pikeville College.

The oath of office was administered to Ms. Moore and Ms. Osborne by Reed Rhorer, Chief Circuit Judge of Franklin County.

**REMARKS BY
SECRETARY
MOUNTJOY**

Mr. Turner recognized Helen Mountjoy, secretary of the Education Cabinet. Secretary Mountjoy said one of the highlights of the first few weeks in her new role was the opportunity to spend time with students at Western Kentucky University's Math and Science Academy. She said the stories about the opportunities afforded these students through this WKU program are remarkable and she thanked the Council for supporting this program. She said that she looks forward to working with the Council and the legislators to craft a budget that will not impede the progress of the past ten years. She

has scheduled regular meetings with Mr. Cowgill to explore possibilities of ways to coordinate activities that will benefit the students at the state's public colleges and universities. She said that in order to Double the Numbers the state must recognize both the challenges and the commitments that are required of adult learners and their families when they return to pursue postsecondary education. She saluted the Council and the Council staff for putting together the adult learner summit. She said that the goals of the Council and those of the Beshear administration are identical in many respects. She pledged her support and willingness to cooperate in any way possible to see that the spirit of House Bill 1 is alive and well on every campus and is available for every student in the Commonwealth.

ROLL CALL

The following Council members attended the meeting: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Virginia Fox, Alois Moore, Donna Moore, Lisa Osborne, Ryan Quarles, Jim Skaggs, John Turner, Joe Weis, and Jon Draud. John Hall, Phyllis Maclin, and Mark Wattier did not attend.

APPROVAL OF MINUTES

The minutes of the November and December 2007 meetings were approved as distributed.

BUDGET & FINANCE POLICY GROUP REPORT

Mr. Flanagan reported that the Budget and Finance Policy Group met earlier in the day. Discussion topics included the 2007-08 budget reduction plan, the 2008-10 Executive Budget recommendation, and tuition policy parameters. The policy group will meet in the coming weeks to hear presentations from the institutions regarding tuition proposals for 2008-09 and will bring a recommendation to the full Council. The policy group also reviewed the agency operating budget second quarter report.

2007-08 BUDGET REDUCTION PLAN

CPE Interim President Brad Cowgill said that during the final days of 2007, based upon a request from the Governor and the Office of the State Budget Director, the Council was required to submit a proposal to reduce its 2007-08 net General Fund appropriation of \$66 million by a total of 3 percent, or \$1.9 million. A similar request was sent by Council staff to the institutional presidents to reduce the institutional 2007-08 General Fund appropriation of \$1.1 billion (net of debt service) by 3 percent, or \$32.5 million. On January 4, 2008, the Governor signed a General Fund Reduction Order and an Executive Order directing cost-saving measures. The Council's General Fund appropriation is separated into three parts – base operations, pass-through programs, and strategic initiatives and incentive funding programs. Mr. Cowgill said that the impact on Council base operations will require the delay of critical hires within the agency and possible reductions in key statewide contracts. The Council staff communicated to OSBD that if these reductions were to become permanent starting in 2008-09 the Council would want the flexibility to make changes to reflect a longer-term strategy and incorporate additional discussions with Council members and staff. Information was provided in the agenda materials about the amount of the cuts for each institution. Mr. Cowgill said that the Double the Numbers goal could be affected by the institutions replacing the lost revenue from a different course

(increasing tuition) or constricting expenditures to maintain the level of progress prior to the cut which could affect the quantity and the quality of programs (restricting enrollment, eliminating program offerings, diminishing the interest to participate in Kentucky programs, and pricing education beyond the reach of students). He stated that the reductions will take postsecondary education back to the level of funding prior to reform in 1998 thereby reversing the progress that has been made and putting in jeopardy the progress in enrollment.

2008-10
EXECUTIVE BUDGET
RECOMMENDATION

Governor Steve Beshear released his 2008-10 Executive Budget recommendation January 29. Due to an unprecedented and challenging fiscal environment for the Commonwealth, the Governor recommended significant cuts in many areas of state government. Postsecondary and adult education received the worst-case scenario with a 12 percent budget reduction in 2008-10, which is in addition to the 3 percent reduction in FY08. The Executive Budget also recommended a decrease of 12 percent (approximately \$7 million) for Council General Funds for agency operations, pass-through programs, and strategic initiatives and funding programs. Kentucky's two major need-based student financial aid programs, the College Access Program and the Kentucky Tuition Grant Program, were spared from spending reductions in both years of the 2008-10 biennium, but the Kentucky Educational Excellence Scholarship (KEES), the merit-based program, was reduced by approximately \$13 million in 2008-10. A staff analysis of the 2008-10 Executive Budget recommendation, including the fiscal environment, institutional operations, Council operations, capital, and financial aid, was included in the agenda book.

QUALITY &
ACCOUNTABILITY
POLICY GROUP
REPORT

Ms. Bertelsman gave a report from the Quality and Accountability Policy Group.

2006-07
ACCOUNTABILITY
REPORT

The policy group reviewed the draft 2006-07 accountability report. The format for this year's report has been changed to enhance readability. Statewide and institutional indicators have been incorporated into one graphics-intensive document. When possible, ten years of trend data are displayed to illustrate progress made since the beginning of reform. The report showed that the state has made progress in 17 of 26 statewide and institutional key indicators of progress. Council members were asked to review and submit comments about the draft report. The final report will be distributed later in the month and will be available on the Council's Web site.

FTE
CALCULATIONS

The policy group also discussed the change in the method for calculating enrollment at Kentucky's institutions. In the past the Council has calculated full-time equivalency (FTE) as the number of full-time students plus one-third of the number of part-time students to obtain an FTE estimate that is compared with benchmark institutions. With the move away from benchmark funding, the Council has shifted to a calculation based on actual student credit hour production. This move has been made to better align the

Council's methodology with other states and the Southern Regional Education Board.

TRANSFER

Ms. Bertelsman said that transfer continues to be a topic of discussion for the policy group. There continues to be a perception that many students are not able to transfer their hours from KCTCS institutions to four-year institutions. She asked the Council staff to prepare a presentation about transfer to share at a future meeting.

POSTSECONDARY EDUCATION WORK GROUP ON ACCESS TO ACADEMIC PROGRAMS

Ms. Bertelsman said that the policy group discussed the Postsecondary Education Work Group on Access to Academic Programs, approved by the Council at its May 2007 meeting. The group is charged with reviewing state policies related to postsecondary centers established in 1997 by House Bill 1, extended campuses, and approval of postsecondary programs. Work group membership includes representatives of CPE, the Council's Committee on Equal Opportunities, KCTCS, KDE, public and independent postsecondary institutions, and the private sector.

ED.D. PROPOSALS

The policy group also received an update on the review of the proposals from ECU, WKU, and NKU to offer a doctorate in educational leadership. A committee is reviewing the proposals and recommendations are expected in the near future.

LEGISLATIVE UPDATE

A list of bills related to postsecondary and adult education being considered by the 2008 General Assembly was provided for information.

DEGREE PROGRAM ELIGIBILITY

The Council reviewed the results of the Kentucky Plan for Equal Opportunities 2008 degree program eligibility report. This annual report card measures institutional success in enrolling, retaining, and hiring African Americans and requires that each university maintain current performance or improve in order to be eligible to propose new degree programs. The report showed that all eight public universities and 15 community and technical colleges qualify to propose new degree programs, as compared to seven universities and 12 community and technical colleges in 2007. Sherron Jackson with the Council staff noted that this is the first time since 1993 that all eight public universities and this many community and technical colleges have qualified at the highest level of performance. He commended the institutions for their efforts and challenged them to continue to perform at this level.

P-16 COUNCIL REPORT: FOCUS ON ALIGNMENT

Dianne Bazell with the Council staff and Jeanne Ferguson, chair of the P-16 Council, gave the report from the P-16 Council which focused on alignment. Since its creation in 1999, the P-16 Council has focused heavily on alignment of K-12 and postsecondary curricular and assessment standards. From 2001 to 2004, Kentucky participated as a pilot state in the American Diploma Project and helped identify benchmarks of college- and workplace-readiness. In 2004, the Council developed a statewide postsecondary placement policy whereby knowledge and skills in English and mathematics were correlated with ACT subscores. These standards and an additional

standard in reading were put into regulation in 2007. Kentucky Adult Education began revising its adult education curriculum to meet these college and skilled-workplace expectations. In 2006, the Kentucky Department of Education revised its Core Content for Assessment standards in light of these expectations. In 2004 and 2006, the Council conducted a study of the effect of the CPE's minimum admissions policy on college performance and was able to show that students entering college with ACT subscores meeting the statewide threshold of preparedness were approximately twice as likely to persist to the sophomore year. With the statewide administration of the ACT beginning in spring 2008 Kentucky will have available student level learning assessment data calibrated to college-readiness expectations from middle school through college placement. In 2007, the CPE revised its High School Feedback Report format and provided district principals and superintendents school-specific information about their graduates' transition from high school to college. The forum of the P-16 Council dramatically improved alignment of P-12 and college readiness standards, and collaboration among agency leaders and staff has never been greater; however, the chief issue facing the partner agencies of the P-16 Council is the provision of cross-sector data capacity.

COMMISSIONER OF EDUCATION REPORT

Commissioner Draud reported that the Kentucky Board of Education is concerned, like the Council, about the state's budget situation and possible funding cuts to K-12. He said he is committed to as much funding as possible to postsecondary education and also for elementary and secondary education since he sees all sectors working together to improve education at all levels. He said that beginning in 2009 student assessment tests will be given in May, creating two to three additional weeks of instructional time. He discussed the varying methods for calculating dropout rates and said that these different methods impact the numbers.

AFFORDABILITY STUDY

Mr. Cowgill said that the affordability study conducted by JBL Associates in 2005 is being updated. A report will be presented at the next meeting.

PROJECT GRADUATE

Sue Patrick, the Council's director of communications, gave a progress report on Project Graduate, initiated in November 2007 to target adults with some college but no degree. The first phase is focusing specifically on the more than 11,000 adult Kentuckians who have earned 90 or more credit hours. All of Kentucky's public institutions are participating in Project Graduate, and the Council staff recently met with representatives from 11 independent AIKCU member institutions to discuss their participation in this effort. The Project Graduate outreach consists primarily of a direct mail effort and a Web presence funded by the Council (www.ProjectGraduate.org). Each institution is offering incentives to their former students to encourage them to finish their degree. Incentives vary by institution and include tuition assistance, application fee waivers, personal advising, and simplified admissions paperwork. Each campus has designated a Project Graduate advocate to ensure those who respond can take full advantage of incentives and quickly navigate the admissions process. Since the announcement of

Project Graduate in November, the public interest in this initiative continues to rise. Forty students have enrolled since the initiative began and four will graduate this spring. The Council staff is continuing to work with Stamats, Inc., in partnership with the institutions, to develop a comprehensive outreach plan to reach adults with some college that will include a component to engage the business community in providing incentives or support for their employees to complete their degrees.

KENTUCKY ADULT LEARNER INITIATIVE

The Council will host the first-ever Kentucky Adult Learner Summit February 4 and 5. Representatives of Kentucky's public and independent colleges will examine issues and best practices that impact adult student success. As the kickoff event for the Kentucky Adult Learner Initiative led by the Council and funded by Lumina Foundation for Education, the summit will address the barriers that prevent adult learners from reaching their educational potential. Discussion topics include ways to improve academic and public policy, student services, financial aid, and marketing of postsecondary education to better meet their unique needs. This summit is the first step in Kentucky's efforts to address the needs of adult learners. Throughout 2008, the Council will convene policy work groups consisting of representatives from postsecondary and adult education, the General Assembly, state government agencies, business and industry, and Council members to draft policy recommendations to encourage more adults to pursue degrees. In conjunction with these policy efforts, the Council will provide each public university with \$50,000 to assess how adult-friendly their campuses are and make policy and organizational changes to address areas that need improvement. The Adult Learner Initiative also provides a significant opportunity to identify and address the particular needs of returning adults and GED graduates who want to progress in their education.

FALL 2007 ENROLLMENT

Kentucky's public universities and community and technical colleges enrolled 212,994 students in fall 2007, a 3.2 percent increase over last fall and a 34.4 percent increase since postsecondary education reform began in fall 1998. KCTCS and Kentucky State University experienced the largest growth in undergraduate enrollment, up 7.3 percent and 7.2 percent over 2006, respectively. Undergraduate enrollment increased by 3.5 percent and first-professional enrollment rose 2.4 percent. Graduate enrollment remained relatively flat (+.6 percent), and public institutions saw a noticeable decrease in post-doctoral students with 11.7 percent fewer than last year. Enrollment in distance learning also continues to increase at public universities, with an 8 percent increase over last year and a 64.3 percent increase since 2000. Participation of KCTCS students in distance learning has increased even more significantly – 18.7 percent over 2006 and 81.9 percent since 2000. Enrollment of African American and Hispanic students is increasing at a faster rate than that of Caucasian students, including a 5.6 percent increase in enrollment of African Americans and a 9.1 percent increase in Hispanic enrollment over last fall.

STATEWIDE DIVERSITY STUDY

Dr. Gary Orfield, principal investigator for the Harvard Civil Rights Project, currently located at the University of California Los Angeles, joined the meeting via Internet2 to provide an update on the status of the statewide diversity study, preliminary findings, and implications of the June 28 U.S. Supreme Court decision in *Friends of McDonald v. Jefferson County School District*. The study is scheduled to be completed June 30, 2008, and is intended to produce targeted research to inform diversity planning in Kentucky. The study will present recommendations on policies or changes in policy necessary at the Council and institutions to ensure that Kentucky complies with the standards articulated by the Supreme Court in the Michigan cases *Grutter* and *Gratz*, Kentucky law, and federal law. The U. S. Supreme Court ruling in *Friends of McDonald v. Jefferson County School District* explicitly excludes postsecondary education and allows *Gratz* and *Grutter* to remain the primary law.

STEM TASK FORCE

A special meeting of the STEM Task Force will be held February 6 to review the strategic action plans developed by the STEM study groups. Legislators have been invited to attend the luncheon and to interact with STEM Task Force members regarding the eight recommendations in the task force report released in March 2007 entitled *Kentucky's STEM Imperative: Competing in the Global Economy*. This meeting is co-sponsored by the Council, the Midwestern Higher Education Compact (MHEC), and the Council of State Governments' Midwestern Office with funding from the Lumina Foundation for Education.

COUNTY PROFILES

The Council staff recently released the *2008-10 Kentucky Postsecondary Education County Profiles*. This publication brings together information from state, federal, and private sources to illustrate the relationship between education, the economy, and social issues in Kentucky. It contains graphs, maps, and tables that highlight some of the Commonwealth's more critical issues such as poverty, unemployment, and Medicaid. Profiles for each county, area development district, and postsecondary education service region include a wealth of information, including educational attainment, college readiness and participation, employment by sector, undergraduate enrollment, and financial aid. The report is available on the Council's data portal at <http://cpe.ky.gov/info/county/default.htm>.

CPE CHAIR AND VICE CHAIR

MOTION: On behalf of the Nominating Committee, Mr. Canafax moved that John Turner serve as chair and Dan Flanagan serve as vice chair for the term February 1, 2008, through January 31, 2009. Mr. Baker seconded the motion.

VOTE: The motion passed.

COMMITTEE ASSIGNMENTS

Mr. Turner appointed Walter Baker, Peggy Bertelsman, Kevin Canafax, and Jim Skaggs to the Executive Committee for one-year terms ending January 2009. He appointed Jon Draud to the Quality and Accountability Policy Group and Donna Moore and Lisa

Osborne to the Budget and Finance Policy Group. Phyllis Maclin will chair the Committee on Equal Opportunities and Walter Baker will serve as vice chair. Mr. Turner thanked Mr. Baker for his service as CEO chair for the past three years.

RESOLUTIONS

Mr. Turner read resolutions honoring and commending Suvas Desai as a member of the Council. He also read a resolution thanking Allyson Handley. Dr. Handley is leaving the Council staff to become president of the University of Maine at Augusta.

MOTION: Ms. Fox made a motion to approve the two resolutions. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

STUDENT RALLY

Mr. Quarles announced that the Student Rally for Higher Education will take place February 20 at the Capitol Rotunda. He invited the Council members to attend.

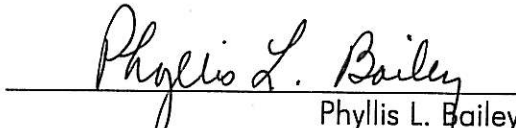
NEXT MEETING

Mr. Turner said that the Council will hold a special meeting February 26 at 1:30 at the Council offices in Frankfort. The postsecondary legislative reception is that evening at the Kentucky History Center.

ADJOURNMENT

The meeting adjourned at 12 noon.


Bradford L. Cowgill
Interim President


Phyllis L. Bailey
Senior Associate, Executive Relations